

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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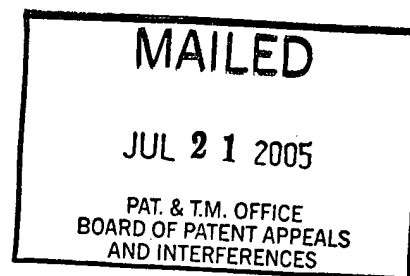
*Ex parte* JEFFREY K. DELLINGER

Appeal No. 2005-0975  
Application No. 09/406,290

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ON BRIEF

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Before KRASS, RUGGIERO, and MACDONALD, *Administrative Patent Judges*.

MACDONALD, *Administrative Patent Judge*.

**DECISION ON APPEAL**

This is a decision on Appellants'<sup>1</sup> appeal from the final rejection of claims 1-43. Claims 44-51 have been cancelled.

***Invention***

Appellants' invention relates to a method for providing an annuity-based retirement program which utilizes a variable annuity product with a guaranteed

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<sup>1</sup> We note a discontinuity between the inventorship of the official paper file (the declarations show four inventors) and the inventorship listed in the USPTO computerized Patent Application Location and Management (PALM) system record (which lists only a single inventor). The Examiner is reminded that this error should be corrected before any further action by the Examiner.

minimum payment. Unlike existing products, however, the product of the present invention is administered by a process in which deficits (i.e., differences between the minimum payments and what would otherwise be the actual payments when actual payments fall below the minimums) are repaid from future payments.

Appellants' specification at page 6, lines 28-33.

Claim 1 is representative of the claimed invention and is reproduced as follows:

1. A computerized method for administering a variable annuity benefit plan having a guaranteed minimum payment feature, and for periodically determining the amount of a current benefit payment to be made to a beneficiary under the plan, comprising the steps of:

(a) storing data relating to a variable annuity account, including data relating to an account value, a guaranteed minimum payment, an assumed investment rate, a payout term and a period of benefit payments;

(b) determining an initial benefit payment amount;

(c) periodically determining an amount of a current benefit payment to be made under the plan, and comparing the amount determined with the guaranteed minimum payment;

(d) adjusting the amount of the periodically determined current benefit payment upwardly to the guaranteed minimum payment if the periodically determined amount is less than the guaranteed minimum payment;

(e) maintaining a cumulative total of actual payments made under the benefit plan;

(f) adjusting the amount of the periodically determined current benefit payment downwardly if the periodically determined amount is greater than the guaranteed minimum payment, and the cumulative total of actual payments

exceeds a cumulative total of the initial payment and the periodically determined current benefit payments; and

(g) paying the adjusted amount of the current benefit payment to the beneficiary.

### **References**

The references relied on by the Examiner are as follows:

Golden	5,933,815	Aug. 3, 1999
Edelman	6,064,986	May 16, 2000
Corlett et al. (Corlett)	6,253,192	Jun. 26, 2001

### **Rejections At Issue**

Claims 1-3 and 7-43 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Golden and Corlett.

Claims 4-6 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Golden and Edelman.

Throughout our opinion, we make references to the Appellants' briefs, and to the Examiner's Answer for the respective details thereof.<sup>2</sup>

### **OPINION**

With full consideration being given to the subject matter on appeal, the Examiner's rejections and the arguments of the Appellants and the Examiner, for the reasons stated *infra*, we reverse the Examiner's rejection of claims 1-43 under 35 U.S.C. § 103.

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<sup>2</sup> Appellants filed an appeal brief on December 22, 2003. Appellants filed a reply brief on May 21, 2004. The Examiner mailed an Examiner's Answer on March 18, 2004.

Only those arguments actually made by Appellants have been considered in this decision. Arguments that Appellants could have made but chose not to make in the brief have not been considered. We deem such arguments to be waived by Appellants [see 37 CFR § 41.37(c)(1)(vii) effective September 13, 2004 replacing 37 CFR § 1.192(a)].

***I. Whether the Rejection of Claims 1-3 and 7-43 Under 35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 1-3 and 7-43. Accordingly, we reverse. We will treat claim 1 as exemplary of claims 1-3 and 7-43.

In rejecting claims under 35 U.S.C. § 103, the Examiner bears the initial burden of establishing a ***prima facie*** case of obviousness. ***In re Oetiker***, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). ***See also In re Piasecki***, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). The Examiner can satisfy this burden by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary skill in the art suggests the claimed subject matter. ***In re Fine***, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the Appellants.

**Oetiker**, 977 F.2d at 1445, 24 USPQ2d at 1444. **See also Piasecki**, 745 F.2d at 1472, 223 USPQ at 788.

An obviousness analysis commences with a review and consideration of all the pertinent evidence and arguments. “In reviewing the [E]xaminer’s decision on appeal, the Board must necessarily weigh all of the evidence and argument.” **Oetiker**, 977 F.2d at 1445, 24 USPQ2d at 1444. “[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency’s conclusion.” **In re Lee**, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

With respect to independent claim 1, Appellants argue at page 6 of the brief that the Examiner is in error in arguing “fixed annuities are merely a special case of variable annuities in which the variability of the payments is zero.” We find this argument unpersuasive. Even accepting as fact Appellants’ contention that “fixed and variable annuities are distinct and separate products,” this in no way counters the Examiner’s position that one is a special case of the other.

Appellants also argue at page 9 of the brief that except for hindsight, there is no suggestion or motivation to modify Golden in view of Corlett. We agree. Further, we find nothing in the Examiner’s minimalist statement of the rejection to explain the Examiner’s position on how Corlett teaches the limitations of claim 1. In the case before us, merely pointing to several figures

as the Examiner has done, without further explanation, does not establish a *prima facie* case of obviousness.

Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103.

**II. Whether the Rejection of Claims 4-6 Under 35 U.S.C. § 103 is proper?**

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 4-6. Accordingly, we reverse. We will treat claim 4 as exemplary of claims 4-6.

With respect to independent claim 4, Appellants argue at page 10 of the brief, that by trivializing the explicit limitations of the claim as "design choices", the Examiner has not met the initial burden of establishing a *prima facie* case of obviousness. We agree.

We find that the rejection provides no basis for the Examiner's "design choice" contention. "The mere fact that a worker in the art could rearrange the parts of the reference device to meet the terms of the claims on appeal is not by itself sufficient to support a finding of obviousness. The prior art must provide a motivation or reason for the worker in the art, without the benefit of appellants' specification, to make the necessary changes in the reference device." *Ex parte Chicago Rawhide Mfg. Co.*, 223 USPQ 351, 353 (Bd. Pat. App. & Inter. 1984).

Therefore, we will not sustain the Examiner's rejection under 35 U.S.C. § 103.

## Conclusion

In view of the foregoing discussion, we have not sustained the rejection under 35 U.S.C. § 103 of claims 1-43.

**REVERSED**

Ernest A. Ham

ERROL A. KRASS  
Administrative Patent Judge

Joseph E. Ruggie  
JOSEPH E. RUGGIE

JOSEPH F. RUGGIERO  
Administrative Patent Judge

W. MacDonald

ALLEN R. MACDONALD  
Administrative Patent Judge

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ARM/lbg

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Application No. 09/406,290

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